

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1019

That the Senate recede from its amendments as printed on pages 1831-1835 of the House Journal and pages 1497-1501 of the Senate Journal and that Engrossed House Bill No. 1019 be amended as follows:

Page 1, line 2, remove "to amend and reenact sections 15-19-00.1, 15-19-01, 15-19-02,"

Page 1, remove line 3

Page 1, line 4, remove "the administration of the center for distance education; and"

Page 1, line 4, after "exemption" insert "; and to provide for a report"

Page 1, replace lines 14 through 17 with:

"Salaries and wages	\$4,643,906	\$340,305	\$4,984,211
Operating expenses	2,198,453	847,897	3,046,350
Grants	9,507,349	2,500,000	12,007,349
Grants - secondary	26,837,780	14,700,000	41,537,780"

Page 1, remove lines 22 through 24

Page 2, replace lines 1 through 3 with:

"Workforce training	2,000,000	500,000	2,500,000
Center for distance education	9,461,254	(9,461,254)	0
Statewide area career center initiative grant program	<u>0</u>	<u>26,500,000</u>	<u>26,500,000</u>
Total all funds	\$56,754,880	\$35,926,948	\$92,681,828
Less estimated income	<u>15,019,817</u>	<u>26,461,303</u>	<u>41,481,120</u>
Total general fund	\$41,735,063	\$9,465,645	\$51,200,708
Full-time equivalent positions	50.30	(26.80)	23.50"

Page 2, line 4, after "**FUNDING**" insert "**- EFFECT ON BASE BUDGET - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY**"

Page 2, line 5, after "biennium" insert "and the one-time funding items included in the appropriation in section 1 of this Act"

Page 2, replace lines 7 through 10 with:

"Statewide area career center initiative grant program	\$88,276,228	\$26,500,000
Secondary career and technical education programs	<u>0</u>	<u>500,000</u>
Total other funds	\$88,276,228	\$27,000,000

The 2023-25 biennium one-time funding amounts are not part of the entity's base budget for the 2025-27 biennium. The department of career and technical education shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025."

Page 2, remove lines 11 through 31

Page 3, remove lines 1 through 31

Page 4, remove lines 1 through 30

Page 5, remove lines 1 through 30

Page 6, remove lines 1 through 31

Page 7, remove lines 1 through 30

Page 8, replace lines 1 through 21 with:

"SECTION 3. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - SECONDARY CAREER AND TECHNICAL EDUCATION PROGRAMS. The estimated income line item in section 1 of this Act includes \$500,000 from the strategic investment and improvements fund for new and expanding secondary career and technical education programs.

SECTION 4. ESTIMATED INCOME - FEDERAL CORONAVIRUS CAPITAL PROJECTS FUND - STATEWIDE AREA CAREER CENTER INITIATIVE GRANT PROGRAM - LEGISLATIVE MANAGEMENT REPORT. The estimated income line item in section 1 of this Act includes the sum of \$26,500,000 from the federal coronavirus capital projects fund for the purpose of defraying inflationary costs of existing projects approved under the statewide area career center initiative grant program during the 2021-23 biennium. The department of career and technical education must distribute the funding to existing career academy projects proportionally based on funding allocations provided to each project during the 2021-23 biennium. If funding approved in this section is provided for a career academy project and the funding becomes uncommitted during the 2023-25 biennium, the department of career and technical education may redistribute the funding for existing projects under the program during the biennium beginning July 1, 2023, and ending June 30, 2025. The department of career and technical education shall report to the legislative management during the 2023-24 interim and to the appropriations committees of the sixty-ninth legislative assembly regarding the amount of inflationary funding provided for each project and the construction status of each project."

Page 8, line 25, after "2021" insert "Special Session"

Page 8, after line 26, insert:

"SECTION 6. EXEMPTION - STATEWIDE AREA CAREER CENTER INITIATIVE GRANT PROGRAM - UNCOMMITTED FUNDS. Notwithstanding section 1 of chapter 548 of the 2021 Special Session Session Laws, if funding approved for a career academy project under the statewide area career center initiative grant program becomes uncommitted after December 31, 2022, the department of career and technical education may redistribute the funding for existing projects under the program during the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 7. WORKFORCE TRAINING GRANTS - SALARIES AND WAGES EXPENSES. The workforce training line item in section 1 of this Act includes the sum of \$500,000 from the general fund which the department of career and technical education shall distribute to each eligible organization in the state dedicated to expanding workforce opportunities, training, and education for the purpose of defraying salaries and wages expenses of the organization's employees. The department of career and technical education shall distribute the funding identified in this section as follows:

1. An organization in the northwest region of the state \$230,000
2. An organization in the northeast region of the state \$40,000
3. An organization in the southwest region of the state \$120,000
4. An organization in the southeast region of the state \$110,000"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1019 - Dept. of Career and Technical Education - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$4,643,906	\$5,441,942	(\$457,731)	\$4,984,211	\$4,960,741	\$23,470
Operating expenses	2,198,453	2,878,350	168,000	3,046,350	2,878,350	168,000
Grants	9,507,349	11,507,349	500,000	12,007,349	11,507,349	500,000
Grants - secondary	26,837,780	41,037,780	500,000	41,537,780	45,037,780	(3,500,000)
Marketplace for kids	300,000	300,000		300,000	300,000	
STEM initiative	100,000	100,000		100,000	100,000	
Adult farm management	1,706,138	1,706,138		1,706,138	1,706,138	
Workforce training	2,000,000	2,000,000	500,000	2,500,000	2,500,000	
Center for distance education	9,461,254					
Statewide area career center grants			26,500,000	26,500,000	26,500,000	
Total all funds	\$56,754,880	\$64,971,559	\$27,710,269	\$92,681,828	\$95,490,358	(\$2,808,530)
Less estimated income	15,019,817	14,489,399	26,991,721	41,481,120	40,981,120	500,000
General fund	\$41,735,063	\$50,482,160	\$718,548	\$51,200,708	\$54,509,238	(\$3,308,530)
FTE	50.30	23.50	0.00	23.50	21.50	2.00

Department 270 - Dept. of Career and Technical Education - Detail of Conference Committee Changes

	Adjusts Funding for Salary and Benefit Increases ¹	Removes Salary Funding for Funding Pool ²	Adds Funding for Operating Expenses ³	Reduces Funding for Cost to Continue Reimbursement Rates ⁴	Adds Funding for New and Expanding Secondary Programs ⁵	Removes Funding for Career Advisors ⁶
Salaries and wages	\$85,995	(\$543,726)				
Operating expenses			\$168,000			
Grants					\$500,000	
Grants - secondary				(\$500,000)	1,500,000	(\$500,000)
Marketplace for kids						
STEM initiative						
Adult farm management						
Workforce training						
Center for distance education						
Statewide area career center grants						
Total all funds	\$85,995	(\$543,726)	\$168,000	(\$500,000)	\$2,000,000	(\$500,000)
Less estimated income	10,615	(18,894)	0	0	500,000	0
General fund	\$75,380	(\$524,832)	\$168,000	(\$500,000)	\$1,500,000	(\$500,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds Funding for Workforce Training Grants ⁷	Adds One- Time Funding for Career Academies ⁸	Total Conference Committee Changes
Salaries and wages			(\$457,731)
Operating expenses			168,000
Grants			500,000
Grants - secondary			500,000
Marketplace for kids			
STEM initiative			
Adult farm management			
Workforce training	\$500,000		500,000
Center for distance education			
Statewide area career center grants		\$26,500,000	26,500,000
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Total all funds	\$500,000	\$26,500,000	\$27,710,269
Less estimated income	<u>0</u>	<u>26,500,000</u>	<u>26,991,721</u>
General fund	\$500,000	\$0	\$718,548
FTE	0.00	0.00	0.00

¹ Salaries and wages funding is adjusted to provide for 2023-25 biennium salary increases of 6 percent on July 1, 2023, and 4 percent on July 1, 2024, and for adjustments to health insurance premium rates as follows:

	General Fund	Other Funds	Total
Salary increase	\$75,380	\$10,964	\$86,344
Health insurance adjustment	<u>0</u>	<u>(349)</u>	<u>(349)</u>
Total	\$75,380	\$10,615	\$85,995

The House provided salary adjustments of 4 percent on July 1, 2023, and July 1, 2024.

² Funding for new FTE positions and estimated savings from vacant FTE positions is removed as shown below. These amounts are available to the agency if needed by submitting a request to the Office of Management and Budget for a transfer from the new and vacant FTE funding pool.

	General Fund	Other Funds	Total
New FTE positions	(\$394,874)	\$0	(\$394,874)
Vacant FTE positions	<u>(129,958)</u>	<u>(18,894)</u>	<u>(148,852)</u>
Total	(\$524,832)	(\$18,894)	(\$543,726)

³ Funding of \$168,000 is added from the general fund for operating expenses of the department. The House and Senate did not add funding for this purpose.

⁴ Funding for the cost to continue career and technical education reimbursement rates at schools (27 percent) and area career and technical centers (40 percent) is reduced by \$500,000 to provide a total of \$3.5 million from the general fund. The House and Senate provided \$4 million from the general fund.

⁵ Funding of \$2 million, of which \$1.5 million is ongoing funding from the general fund and \$500,000 is one-time funding from the strategic investment and improvements fund (SIIF), is added for new and expanding secondary career and technical education programs to provide a total of \$10 million, including \$9.5 million from the general fund.

The House provided \$8 million from the general fund. The Senate provided \$12 million from the general fund.

⁶ Funding of \$500,000 from the general fund for school district career advisors is removed. The House added \$500,000 from the general fund for the program. The Senate did not provide funding for the program.

⁷ Funding of \$500,000 is added for workforce training grants to provide a total of \$2.5 million from the general fund, the same as provided by the Senate. The House provided \$2 million, the same as the base level.

⁸ One-time funding of \$26.5 million is added from the federal Coronavirus Capital Projects Fund for career academy inflationary costs under the statewide area career center initiative grant program, the same as provided by the Senate. The House did not add funding for this purpose.

The conference committee:

- Did not remove \$394,874 from the general fund for 2 FTE program supervisor positions. These positions were added by the House but removed by the Senate.
- Did not add \$500,000 from the general fund for grants to schools for work-based learning coordinators. The House provided \$1.5 million from the general fund. The Senate added \$500,000 to provide a total of \$2 million from the general fund. The conference committee provided \$1.5 million from the general fund.

This amendment also:

- Removes seven sections added by the House to transfer supervisory authority of the Center for Distance Education from the Department of Career and Technical Education to the Department of Public Instruction. Statutory changes necessary to authorize this change are provided in Senate Bill No. 2269. These sections were also removed by the Senate.
- Adds a section to identify one-time funding of \$500,000 from SIIF for new and expanding secondary career and technical education programs. The Senate did not add this section.
- Adds a section to identify \$26.5 million from the federal Coronavirus Capital Projects Fund for career academy inflationary costs during the 2023-25 biennium. The funding is to be provided proportionally to existing career academy projects under the statewide area career center initiative grant program based on funding allocations provided to each project during the 2021-23 biennium. During the 2023-24 interim, the department is required to provide a report to the Legislative Management regarding the amount of inflationary funding provided to each project to date, expected funding to be provided to each project for the remainder of the biennium, and the construction status of each project. The department is required to provide an updated report to the 69th Legislative Assembly. This section was also added by the Senate.
- Adds a section to provide the Department of Career and Technical Education an exemption that if funding is returned for a previously approved career academy project, the department is authorized to redistribute the funding to other existing career academy projects during the 2023-25 biennium. This section was also added by the Senate.
- Adds a section providing that of the \$2.5 million from the general fund in the workforce training line item, the Department of Career and Technical Education distribute \$500,000 to eligible workforce training organizations for the purpose of defraying salaries and wages expenses of the organization's employees. This section was also added by the Senate.